

CRYSTAL PEAK MINERALS CORPORATION

P.O. Box 3006
Houston, Texas 77253-3006
713/529-3755

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DIVISION OF
OIL, GAS & MINING

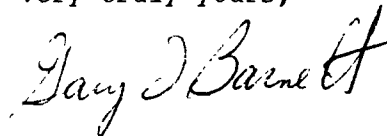
December 1, 1987

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining

We have prepared the balance sheets of Crystal Peak Minerals Corporation as of September 30, 1987 and June 30, 1987. There were no earnings because the company's projects are under development.

In the opinion of management, the aforementioned balance sheets present fairly the financial position of Crystal Peak Minerals Corporation at September 30, 1987 and June 30, 1987 in conformity with generally accepted accounting principles applied on a consistent basis.

Very truly yours,



Gary T. Barnett
Vice President & Treasurer

CRYSTAL PEAK MINERALS CORPORATION
BALANCE SHEETS
SEPTEMBER 30, and JUNE 30, 1987

ASSETS	SEPTEMBER 30	JUNE 30
CURRENT ASSETS		
CASH	\$6,576	\$1,000
PREPAID EXPENSE	\$20,141	\$13,644
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TOTAL CURRENT ASSETS	\$26,717	\$14,644
PROPRERTY, PLANT, and EQUIPMENT	\$3,359,536	\$3,048,243
LESS DEPRECIATION	\$44,619	\$41,861
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	\$3,314,917	\$3,006,382
OTHER ASSETS AT COST	\$8,046	\$10,050
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	\$3,349,680	\$3,031,076
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 LIABILITIES and STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$17,980	\$5,276
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TOTAL CURRENT LIABILITIES	\$17,980	\$5,276
STOCKHOLDER'S EQUITY		
CAPITAL STOCK	\$2,500,000	\$2,500,000
STOCK WARRANTS PAYABLE	\$831,700	\$525,800
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TOTAL STOCKHOLDER'S EQUITY	\$3,331,700	\$3,025,800
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	\$3,349,680	\$3,031,076
	=====	=====

See accompanying notes to balance sheets

CRYSTAL PEAK MINERALS CORPORATION
NOTES TO BALANCE SHEETS

Basis of Accounting

The company maintains its books on the accrual method of accounting in accordance with generally accepted accounting principles.

Depreciation and Amortization

Property, plant and equipment is depreciated and amortized using various methods over estimated useful lives.

Warrants Payable

The company has agreements which provide for the construction of improvements and administrative and management services in exchange for stock. The stock to be issued in connection with these agreements is shown as warrants payable until such time as the stock is issued.